

Message Text

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ACTION SS-25

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S E C R E T SECTION 1 OF 4 ROME 20457

EXDIS

C O R R E C T E D C O P Y (FOR ADDITION OF SECTION INFORMATION)

PASS WHITE HOUSE FOR DR. BRZEZINSKI

E.O. 11652: GDS
TAGS: PFOR, IT
SUBJECT: AMBASSADOR'S DISCUSSION OF ITALIAN SITUATION WITH PRIME
MINISTER

REF: A) STATE 274429, B) ROME 20444

1. SUMMARY: I INVITED PRIME MINISTER ANDREOTTI TO LUNCH
DECEMBER 12 FOR A FRANK DISCUSSION ABOUT THE ITALIAN
SITUATION. OTHERS PRESENT WERE UMBERTO LA ROCCA, ANDREOTTI'S
DIPLOMATIC ADVISOR AND DCM HOLMES. I BEGAN WITH AN OPENING
STATEMENT (REF B) TO ESTABLISH THE FRAMEWORK OF OUR DIS-
CUSSION. IN RESPONDING TO MY STATEMENT, ANDREOTTI PRO-
CEEDED TO EXPLAIN AWAY MOST OF OUR ANALYSIS, WHILE
SEEKING TO SHIFT SOME RESPONSIBILITY FOR APPARENT SLIDE
TOWARD HISTORIC COMPROMISE ON LAY PARTY LEADERS AND
PRESIDENTIALLY AMBITIOUS DC LEADER FANFANI. HE SAYS

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HE AND DC ARE UNITED ON NECESSITY OF NEW ELECTIONS BEFORE
BRING THE PCI INTO THE GOVERNMENT. ON BRINGING THE
PCI INTO THE GOVERNING MAJORITY HE IS LESS CLEAR.
ANDREOTTI UNDERSTANDS US POLICY ON PCI AND SUGGESTS WE
PRESS OUR VIEWS ON LAY PARTY LEADERS AND ENCOURAGE U.S.
CONGRESSMEN OF ITALIAN BACKGROUND TO SPEAK OUT
PUBLICLY. END SUMMARY.

2. SAYING HE APPRECIATED MY FRANKNESS, ANDREOTTI DISAGREED WITH MY PESSIMISTIC APPRECIATION OF THE ECONOMIC PROPECTS. HE BELIEVES THAT THE ITALIAN GOVERNMENT HAS LARGELY MET THE OBJECTIVES JOINTLY AGREED WITH THE IMF LAST YEAR. ITALY HAS BEEN ABLE TO IMPROVE ITS EXTERNAL ACCOUNT, RESERVES HAVE INCREASED AND THE LIRA HAS STABILIZED. WHILE RECOGNIZING THE CONSIDERABLE DIFFICULTIES AHEAD IN 1978, THE GOVERNMENT WILL CONTINUE PURSUING OBJECTIVES AGREED WITH THE FUND. THE GOVERNMENT INTENDS TO REDUCE ITS PUBLIC EXPENDITURES. ONE AREA WHERE THEY BELIEVE SOME SAVINGS ARE POSSIBLE IS THE PUBLIC HEALTH SECTOR. THE GOVERNMENT WILL ALSO HAVE TO INCREASE SOME TAXES.

3. WITH RESPECT TO LABOR COSTS, ANDREOTTI RECOGNIZED THAT THEY ARE HIGH BUT COMMENTED THAT IN A DEMOCRATIC INDUSTRIALIZED SOCIETY THEY CANNOT REMAIN FROZEN. IN DEALING WITH THE TRADE UNIONS, THE GOVERNMENT HAS NO CHOICE BUT TO LOOK AT THE HARD FACTS. FOR EXAMPLE, THE GOVERNMENT ILL HAVE TO HELP CERTAIN SECTORS SUSCEPTIBLE OF CREATING SUBSTANTIAL NEW UNEMPLOYMENT IF UNAIDED, SUCH AS THE CHEMICAL AND STEEL INDUSTRIES. REGARDING YOUTH UNEMPLOYMENT, ANDREOTTI SAID THAT WE WOULD SOON SEE THE FIRST APPLICATION OF THE NEW YOUTH EMPLOYMENT BILL, WITH THE ACTIVATION OF
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50,000 JOBS IN THE PUBLIC SECTOR. UNFORTUNATELY, THE PRIVATE SECTOR WAS NOT OFFERING NEW EMPLOYMENT FOR YOUNG PEOPLE. GIVEN THE PRESSURES AND OBJECTIVE DIFFICULTIES OF THE SITUATION, ANDREOTTI BELIEVES THAT THE GOVERNMENT HAS NOT DONE BADLY USING MONETARY AND OTHER POLICIES IN WORKING FOR STABILIZATION, WHILE STILL PROJECTING A GROWTH RATE OF TWO TO TWO AND A HALF PER CENT FOR 1978.

4. I SAID I HAD HEARD FROM INFORMED PEOPLE THAT MANY STATE INDUSTRIES ARE BADLY MANAGED AND MAKE POOR INVESTMENT DECISIONS. I MENTIONED THE ABORTED SALE OF THE CONDOTTE D'ACQUA ENGINEERING AND CONSTRUCTION COMPANY. ANDREOTTI SAID THE REAL REASON FOR THIS DECISION HAD BEEN THE PRICE, THAT CONSIDERING ITS OPERATIONS ABROAD, SIXTEEN BILLION LIRE FOR A MAJORITY SHARE WAS NOT A FAIR PRICE. (COMMENT: THIS WAS NEITHER THE PUBLIC EXPLANATION NOR INTERPRETATION OF ANDREOTTI'S DECISION TO BLOCK THE SALE. INSTEAD, THE ISSUE WAS THE DESIRABILITY OF MAINTAINING PUBLIC OWNERSHIP.)

5. REGARDING THE PCI ISSUE, ANDREOTTI SAID THE POLITICAL SITUATION COULD NOT BE REDUCED TO AN EQUATION INVOLVING ONLY THE COMMUNISTS AND THE CHRISTIAN DEMOCRATS. THERE WERE OTHER POLITICAL PARTIES AS WELL, AND IT WAS ALSO INCUMBENT UPON THEM TO HELP MANAGE THE PCI PROBLEM. HOWEVER, THE POLITICAL ATTITUDE OF THE REPUBLICAN PARTY HAD CHANGED MARKEDLY, AS SHOWN BY ITS RECENT CALLS FOR PCI PARTICIPATION IN THE GOVERNMENT. THE MAN PRIMARILY RESPONSIBLE FOR THIS ATTITUDE IS, OF COURSE, LA MALFA, WHO IS FATALISTIC, BELIEVING THAT PCI PARTICIPATION IN THE ITALIAN GOVERNMENT IS INEVITABLE. HE ALSO BELIEVES THAT IS IMPORTANT FOR THE LAY PARTIES TO DEAL WITH THIS EVENTUALITY

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WHILE STILL IN A POSITION OF STRENGTH. LA MALFA ALSO CONSIDERS IT ESSENTIAL, SAID ANDREOTTI, TO MAKE THE PCI ACCOUNTABLE, TO MAKE IT SHARE RESPONSIBILITY FOR GOVERNANCE.

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6. ANDREOTTI SAID THAT THE PSI IS IN A DANGEROUS MOOD. ITS CURRENT ATTITUDE TOWARDS POLITICAL PARTNERSHIP WITH THE PCI CREATES UNCERTAINTY AND OSCILLATION, LEADING IT TO A POSTURE OF IMPROVISATION. ANDREOTTI SAID HE WOULD TELL THE PSI THAT BRINGING THE PCI INTO THE GOVERNMENT WOULD SERIOUSLY DISTURB THE UNITED STATES AND US-ITALIAN BILATERAL RELATIONS. IT WOULD BE HELPFUL FOR THE EMBASSY ALSO TO SPEAK TO THE SOCIALISTS IN THIS VEIN. ANDREOTTI SAID IN ADDITION TO TALKING WITH SELECTED SOCIALIST LEADERS, WE SHOULD TALK WITH LA MALFA. ASKED WHETHER SUCH A COURSE WOULD BE CONSIDERED POLITICAL INTERFERENCE, ANDREOTTI SAID IT WOULD NOT, THAT WE SHOULD TALK FRANKLY, IN PRIVACY, TO REPRESENTATIVES OF ALL THE INTERMEDIATE PARTIES, ALTHOUGH THE PSDI'S ORIENTATION WAS SOUNDER THAN THE OTHERS. LA MALFA IS CREATING DIFFICULTIES FOR HIM AT THE MOMENT AND HE IS STUBBORN AND HARD TO DEFLECT. PERHAPS TALKING TO SOMEONE LIKE BATTAGLIA WOULD BE WORTHWHILE; LA
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MALFA LISTENS TO HIM. I SAID WE WOULD TALK TO SELECTED LEADERS OF THE LAY PARTIES, REITERATING OUR STRONG OPPOSITION TO THE HISTORIC COMPROMISE.

7. REGARDING THE SIX PARTY ACCORD, ANDREOTTI SAID THERE WAS NOTHING MUCH THAT WAS NEW. THE FACT THAT THERE HAD BEEN FOREIGN POLICY DISCUSSIONS IN THE SENATE AND CHAMBER WHICH HAD PRODUCED THE SIX PARTY STATEMENTS MUST NOT BE OVERRATED. ALTHOUGH THESE DOCUMENTS HAD PERHAPS BEEN OF SOME HELP TO THE PCI, THEY HAD ALSO CREATED REAL PROBLEMS FOR THEM BY FORMALIZING THEIR ACCEPTANCE OF THE ATLANTIC ALLIANCE AS ONE OF THE KEYSTONES OF ITALIAN FOREIGN POLICY. IN DEFENSE, THERE HAD BEEN NO INNOVATIONS IN THE SIX PARTY FRAMEWORK. ON THE OTHER HAND, WHEN THE NEW EQUIPMENT APPROPRIATIONS FOR UPGRADING THE ARMED FORCES HAD BEEN APPROVED, THE PCI HAD ABSTAINED. THE COMMUNISTS HAD CAUSED DIFFICULTIES ABOUT THE NEUTRON BOMB BUT, OF COURSE, THIS IS NOT ONLY AN ITALIAN PROBLEM; IT IS ALSO A SERIOUS PUBLIC AFFAIRS PROBLEM FOR THE BRITISH AND THE GERMANS.

8. WITH RESPECT TO THE QUESTION OF COMMUNISTS IN THE BANKS AND CREDIT AGENCIES, ANDREOTTI SAID HE COULD ONLY THINK OF ASITALIA (STATE INSURANCE COMPANY). AT THE SAME TIME, HE SAID IT IS EXTREMELY DIFFICULT TO VETO CANDIDATES WHO ARE PROFESSIONALLY WELL QUALIFIED JUST ON THE BASIS OF MEMBERSHIP IN THE PCI. IN HIS OPINION, COMMUNISTS AT THE TECHNICAL LEVEL

REPRESENT NO APPRECIABLE POLITICAL SIGNIFICANCE AND
HE KNEW OF NO PCI CANDIDATES FOR SENIOR MANAGERIAL
POSITIONS IN THE BIG BANKS. COMMENT: ANDREOTTI'S
REPLY IS TECHNICALLY CORRECT IN THAT THE PCI HAS NOT
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YET OBTAINED SIGNIFICANT POSITIONS IN BANKING AND
CREDIT AGENCIES. HOWEVER, NUMEROUS VACANCIES HAVE
GONE UNFILLED PENDING IMPLEMENTATION OF A REFORM
UNDER WHICH THE GOVERNMENT WILL SELECT NOMINEES,
REVIEWED BY PARLIAMENT, ON THE BASIS OF DEMONSTRATED
"TECHNICAL QUALIFICATIONS." UNDER THE NEW SYSTEM,
THE PARTIES ARE EXPECTED TO EXERCISE CONTROL OVER
NOMINATIONS (AND THE PCI TO GET ITS SHARE), BUT THEY
WILL BE PROTECTED FROM THE CHARGE OF DIVIDING THE
SPOILS BY THE COVER OF PARLIAMENTARY REVIEW OF QUALIFI-
CATIONS. END COMMENT.

9. RESPONDING TO MY QUESTION ABOUT DC STRATEGY,
ANDREOTTI SAID IT WAS DIFFICULT TO KNOW WHAT TO DO
NEXT. THE GOVERNMENT COULD ASK THE PRESIDENT TO
CALL EARLY ELECTIONS -- A STEP IT WOULD TAKE
IN ANY EVENT PRIOR TO BRINGING THE PCI INTO THE
GOVERNMENT. RECOURSE TO EARLY LEGISLATIVE
ELECTIONS, HOWEVER, CARRIED CERTAIN RISKS. FOR
LEONE TO DISSOLVE PARLIAMENT FOR THE THIRD TIME WOULD
NOT BE WELL RECEIVED. ANDREOTTI SAID HE HOPED THERE
WOULD BE NO ELECTIONS BEFORE THE "WHITE SEMESTER"
(JUNE-DECEMBER 1978), THUS ALLOWING HIS GOVERNMENT
ANOTHER YEAR TO MAKE THE MAXIMUM MILEAGE OUT OF
THE SIX PARTY PROGRAMMATIC ACCORD. THE ATTITUDE
AND POSITIONS TAKEN BY THE TRADE UNIONS WOULD
BE VERY IMPORTANT IN THIS RESPECT, ANDREOTTI EM-
PHASIZED. I ASKED WHETHER THERE WOULD BE A RESHUFFLING
OF THE GOVERNMENT IN THE COMING MONTHS. ANDREOTTI
REPLIED THAT HE WOULD PREFER NOT TO DO SO, BUT THAT A SLIGHT
RESHUFFLING COULD BE USED AS A SOLUTION TO AN EVENTUAL GOVERNMENT
CRISIS.

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10. NEW ELECTIONS WOULD NOT NECESSARILY REVEAL ANYTHING NEW ABOUT THE PCI'S REAL ATTITUDES, SAID ANDREOTTI. THAT THERE HAD BEEN AN EVOLUTION IN THE COMMUNIST POSTURE IS CERTAIN, BUT WHETHER THIS IS TACTICAL OR REAL IS UNCLEAR. CERTAINLY THE PCI HAS CHANGED ITS POSITIONS TOWARDS THE SOVIET UNION, NATO AND THE US NAVY'S NUCLEAR SUBMARINE BASE AT LA MADDELENA. COMMENT: ANDREOTTI MAY HAVE HAD IN MIND SUCH PUBLICLY-AIRED PCI DIFFERENCES WITH THE SOVIETS AS BERLINGUER'S STATEMENTS ON "PLURALISM" AND THE "NON-IDEOLOGICAL STATE" IN HIS RECENT MOSCOW SPEECH. ON LA MADDELENA, WHILE LOCAL PCI OFFICIALS HAVE BEEN CRITICAL ABOUT BASE'S PRESENCE, THE NATIONAL PCI PUBLIC STANCE HAS BEEN MORE CAUTIOUS. END COMMENT.

11. I ASKED WHETHER A PRIOR ELECTORAL CONSULTATION WOULD ALSO BE HELD BEFORE BRINGING THE PCI INTO THE PARLIAMENTARY MAJORITY. ANDREOTTI REPLIED THAT THIS WAS MORE "DUBIOUS," BUT THAT ELECTIONS WOULD CERTAINLY HAVE TO BE CALLED BEFORE ANY "REAL STEP" WAS TAKEN TO BRING THE
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PCI INTO THE GOVERNMENT. BUT ALL OF THIS, SAID ANDREOTTI, IMPLIED THAT THE WEIGHT OF THE PCI IS HEAVIER TODAY THAN IT HAS BEEN IN THE PAST. WHILE AN IMPRESSION OF INCREASED POLITICAL STRENGTH MAY BE GROWING, IN REAL TERMS ANDREOTTI DID NOT BELIEVE THE PCI HAS STRENGTHENED ITS HOLD ON THE ELECTORATE.

12. ADVERTING TO THE CHRISTIAN DEMOCRATIC PARTY, I ASKED WHETHER THE PARTY WAS UNITED OR WHETHER THERE WERE FACTIONS OR LEADERS FAVORABLE TO PCI PARTICIPATION IN THE GOVERNMENT. FOR EXAMPLE, I SAID I HAD NOTED THAT FANFANI'S RECENT REMARKS SEEMED TO SUGGEST A CONSIDERABLE

SOFTENING ON HIS PART. ANDREOTTI ATTRIBUTED FANFANI'S REMARKS TO HIS PRESIDENTIAL AMBITIONS. HE WOULD LIKE TO BE PRESIDENT OF THE REPUBLIC AND THE VOTES OF THE PCI PARLIAMENTARIANS WOULD BE CRITICAL. HOWEVER, ANDREOTTI SAID, FANFANI HAS SAID NOTHING NEW TO THE GOVERNMENT; INDEED, HE HAS BEEN VERY SUPPORTING. IN SUM, I SAID I ASSUMED THAT THE DC IS UNITED IN NOT WANTING THE PCI IN THE ITALIAN GOVERNMENT. ANDREOTTI CONFIRMED THIS POINT. TO BE SURE I UNDERSTOOD, I ASKED WHETHER ONE COULD CHARACTERIZE THE ATTITUDE OF THE DC AND THE GOVERNMENT AS OPPOSED TO THE ENTRY OF THE PCI INTO THE GOVERNMENT AND AS INSISTENT ON NEW ELECTIONS BEFORE SUCH A STEP COULD BE SERIOUSLY CONSIDERED. ANDREOTTI SAID THIS WAS ACCURATE. I THEN ASKED WHETHER THE SAME COULD BE SAID OF THEIR ATTITUDE TOWARDS THE ENTRY OF THE PCI INTO THE PARLIAMENTARY MAJORITY. THE PRIME MINISTER SAID HE THOUGHT SO. (COMMENT: THIS IS WHAT ANDREOTTI SAID, BUT HE CLEARLY WAS NOT CERTAIN.) IN RESPONSE TO A QUESTION AS TO HOW THE ISSUE OF PCI PARTICIPATION IN THE GOVERNMENT WOULD BE POSED TO THE VOTERS IN A LEGISLATIVE ELECTION, ANDREOTTI SAID THAT THE PCI WOULD RUN ON THE HISTORIC SECRET

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COMPROMISE PLATFORM AND THE DC WOULD OPPOSE IT.

13. WITH RESPECT TO US POLICY TOWARDS THE PCI, I ASKED ANDREOTTI WHETHER HE WOULD LIKE US TO SPEAK OUT PUBLICLY MORE FREQUENTLY, PERHAPS MORE STRIDENTLY. HE THOUGHT THAT WE HAD MADE OUR POSITION EMINENTLY CLEAR AND THAT IT WOULD BE DIFFICULT FOR ME TO DO MORE. HOWEVER, HE SUGGESTED THAT IT WOULD BE HELPFUL FOR VISITING US CONGRESSMEN, PARTICULARLY THOSE WITH ITALIAN BACKGROUND, TO SPEAK OUT PUBLICLY ON THIS ISSUE. I DREW ATTENTION TO SECRETARY CALIFANO'S PUBLIC REMARKS WHILE IN ROME AND ASKED WHETHER THIS IS WHAT HE HAD IN MIND. ANDREOTTI CONFIRMED THIS, BUT SAID THAT CONGRESSMEN SHOULD SPEAK OUT. I ASKED WHETHER PETER RODINO, WHO WOULD BE VISITING ITALY SOMETIME IN THE NEAR FUTURE, WOULD BE AN EFFECTIVE SPOKESMAN. THE PRIME MINISTER NODDED AFFIRMATIVELY, SAYING THAT RODINO'S VOICE WOULD BE LISTENED TO. REGARDING THE INVITATION OF PCI LEADERS SEGRE AND CALAMANDREI TO HIS LUNCHEON FOR SECRETARY CALIFANO, ANDREOTTI EXPLAINED THAT HAVING BEEN INFORMED THAT CONGRESSMAN RODINO WAS ACCOMPANYING CALIFANO TO ROME, ANDREOTTI HAD WISHED TO INVITE MEMBERS OF THE SAME ITALIAN IPU GROUP (SEGRE AND CALAMANDREI BEING AMONG THEM) THAT HAD BEEN ENTERTAINED BY RODINO WHEN HE, ANDREOTTI, HAD LED THE IPU GROUP TO WASHINGTON.

14. PICKING UP ON THIS ISSUE, I EXPLAINED THE POLICY I HAVE BEEN FOLLOWING SINCE MY ARRIVAL IN ITALY OF AVOIDING

CONTACTS WITH PCI OFFICIALS. ONE OF THE MOST IMPORTANT REASONS FOR FOLLOWING THIS POLICY, I SAID, IS TO AVOID SENDING THE WRONG SIGNAL TO THE ITALIAN PEOPLE. I HAD HEARD, FOR EXAMPLE, THAT SEGRE HAD TOLD PEOPLE AROUND ROME THAT HIS INVITATION TO THE LUNCHEON FOR CALIFANO MEANT THAT THE UNITED STATES WAS SOFTENING ITS ATTITUDE TOWARD THE ITALIAN COMMUNISTS. THE PCI LOSES NO OPPORTUNITY TO EXPLOIT OPENINGS, REAL OR IMAGINED. I ALSO TOLD ANDREOTTI IN ALL FRANKNESS THAT
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EVEN MEMBERS OF HIS OWN GOVERNMENT, SUCH AS DONAT-CATTIN AND FOSCHI, HAD SAID THAT THE UNITED STATES' ATTITUDE TOWARDS THE PCI WAS SOFTENING. ANDREOTTI INTERJECTED THAT KISSINGER HAD TOLD HIM HOW PLEASED HE WAS TO SEE THAT THE CARTER ADMINISTRATION WAS MAINTAINING THE SAME HARD LINE TOWARDS THE PCI AS THE FORD ADMINISTRATION.

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15. ANDREOTTI THEN SUGGESTED THAT VISITS BY DC LEADERS TO THE US, SUCH AS PISANU'S CURRENT TRIP TO THE US, WOULD BE VERY USEFUL IN PROJECTING IMAGE OF DC RENEWAL AND RESOLVE.

I SAID I HAD MET A NUMBER OF YOUNG DC PARLIAMENTARIANS WHO HAD IMPRESSED ME AS REPRESENTING A VERY CAPABLE NEW GENERATION OF DC POLITICIANS. I NOTED THAT MANY OF THEM HAD COMPLAINED ABOUT THE LACK OF POLITICAL ROOM AT THE TOP. SOMEWHAT DEFENSIVELY, ANDREOTTI SAID THAT HE HAD BROUGHT SEVEN NEW POLITICIANS INTO HIS GOVERNMENT. ANDREOTTI ALSO SUGGESTED THAT LEADERS OF THE INTERMEDIATE PARTIES VISIT THE US, MEN SUCH AS DE MARTINO AND CRAXI OF THE PSI. I SAID THAT WE HAD ENCOURAGED CRAXI TO GO, BUT HE SEEMED RELUCTANT WHEN TOLD THAT HE COULD NOT SEE THE PRESIDENT. ANDREOTTI SAID THAT, NEVERTHELESS, CRAXI SHOULD GO, AS WELL AS OTHER SOCIALIST AND REPUBLICAN LEADERS. ANDREOTTI ADDED THAT DAVID ROCKEFELLER HAD ASKED HIM TO VISIT NEW YORK ON FEBRUARY 15, BUT HE WAS NOT CERTAIN WHETHER HE WOULD BE ABLE TO GO. (COMMENT: I HAVE BEEN TOLD BY THE COUNCIL ON FOREIGN RELATIONS THAT HE
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HAS TENTATIVELY ACCEPTED AN INVITATION TO SPEAK THERE.)

16. ON PUBLIC ORDER, ANDREOTTI SAID THEY WERE WORKING VERY HARD TO IMPROVE POLICE TRAINING AND TECHNIQUES, THAT THEY WERE ALSO SETTING UP SPECIAL UNITS IN THE ARMY, BUT THAT POLICE UNIONIZATION POSED ENORMOUS PROBLEMS. I SAID THAT DURING MY RECENT TRIP TO WASHINGTON, I HAD SPOKEN TO BOTH SECRETARY VANCE AND R. BRZEZINSKI ABOUT THE PROBLEM OF EXTERNAL INVOLVEMENT IN ITALIAN TERRORISM. I SAID THAT IF THE ITALIAN GOVERNMENT COULD PROVIDE US WITH HARD EVIDENCE OF SOVIET OR OTHER EASTERN EUROPEAN INVOLVEMENT, WE COULD TAKE THE QUESTION UP WITH THE SOVIETS. ANDREOTTI SAID THAT UNFORTUNATELY THERE WAS NO PROOF. THEY HAD ONLY BEEN ABLE TO ESTABLISH THAT CERTAIN ITALIAN TERRORISTS HAD SPENT SOME TIME IN EASTERN EUROPE AS TOURISTS. HE SAID THAT THE ITALIAN GOVERNMENT IS SENDING ONE OF ITS BEST DIPLOMATS AS AMBASSADOR TO PRAGUE, CARLO ALBERTARIO, CURRENTLY AMBASSADOR TO CUBA. ONE OF HIS MAIN RESPONSIBILITIES WILL BE TO ESTABLISH WHETHER TERRORISM IN ITALY IS BEING FED FROM CZECH SOURCES. ANDREOTTI SAID HE IS HAVING GREAT DIFFICULTY IN FINDING CAPABLE PEOPLE WILLING TO RUN THE RISK OF HEADING UP THE NEW ANTI-TERRORIST SECURITY SERVICE, SISDE, AND ITS EXECUTIVE OVERSIGHT COMMITTEE, CESIS.

17. COMMENT: THE RESULTS OF THIS DISCUSSION WITH ANDREOTTI ARE BASICALLY DISAPPOINTING. WHILE HE CLEARLY UNDERSTOOD OUR ATTITUDE AND OUR POLICY, HE DID NOT ACCEPT OUR ANALYSIS OF THE SITUATION, NOR DID HE DISPLAY ANY COVNNINCING DETERMINATION TO STOP FURTHER PCI INROADS. I FIND PARTICULARLY DISTURBING THE LACK OF CLARITY IN HIS ATTITUDE TOWARDS BRINGING THE PCI INTO THE GOVERNING MAJORITY (WHICH

HAS GREAT SYMBOLIC IMPORTANCE IN ITALY) BEFORE THE NEXT
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PARLIAMENTARY ELECTIONS. FOR ANDREOTTI, THE SURVIVAL OF HIS GOVERNMENT THROUGH THE END OF 1978 SEEMS MORE IMPORTANT THAN ANY TACTICAL ARRANGEMENTS HE MAY HAVE TO NEGOTIATE WITH THE COMMUNISTS (SHORT OF BRINGING THEM INTO THE GOVERNMENT) IN ORDER TO ACHIEVE THAT GOAL. IN MY VIEW, THIS BODES ILL FOR THE FUTURE AND WE MUST HOPE THAT OTHER DC LEADERS, WHO DO NOT HAVE A PERSONAL STAKE IN THE SURVIVAL OF THE GOVERNMENT, HAVE OR CAN BE PERSUADED TO HAVE A TOUGHER ATTITUDE THAN ANDREOTTI. I, AND OTHERS IN THE MISSION, WILL BE DISCUSSING THE SAME ISSUES WITH MORO, OTHER DC LEADERS, AND LEADERS OF THE LAY PARTIES IN THE IMMEDIATE FUTURE. IN ADDITION, WE WILL TAKE ADVANTAGE OF APPROPRIATE CONGRESSIONAL VISITS TO REINFORCE OUR EFFORTS. GARDNER

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